



# American Public Transportation Association

*Presentation for the  
Arizona Transportation Reauthorization Summit  
December 2, 2008*

# Transit in Arizona?

- Ridership increases throughout State outpace National Average
- Bus Service increases – City of Phoenix up 10%, Valley Metro up 16%, Bullhead City up 10%
- Thriving Service in Small Urban and Rural areas – Sierra Vista, Flagstaff, Navajo County, Prescott, Yuma,
- Light Rail Coming to Phoenix!

## Public Transportation – Traditional Benefits

- Provides mobility for millions of individuals-urban, suburban and rural riders;
- Reduces Traffic Congestion – saves travelers 1.1 billion hours of added travel time;
- Reduces reliance on foreign oil- saves 1.4 billion gallons of gas annually;
- Mobility for disabled, elderly and low-income populations.

## Public Transportation – Economic Benefits

- \$1 billion invested Creates 35,000 Jobs;
- Transit Oriented Development- \$10 million invested creates more than \$30 million in economic activity;
- Saves money- a family that gives up one car and switches to transit can save more than \$9,000 per year.

# Public Transportation – Environmental Benefits

- The transportation sector produces 1/3 of all greenhouse gas emissions in the U.S.
- Public Transportation can reduce carbon emissions by 37 million metric tons annually.
- Allows individuals to reduce their Carbon Footprint – up to 4,800 pounds of carbon per year.

# The Status of Public Transportation Financing

- \$10 billion annual federal investment funds approximately one-half of capital investment;
- \$180,000,000 apportioned to AZ in FY 2008
- 80% funded from Mass Transit Account of HTF - 2.7 cents of fuel tax
- HTF investments cannot sustain current growth rate-projected shortfall in 2012;
- Needs - \$60 billion annually to improve infrastructure and service and accommodate 3.5 percent annual ridership growth;

# SAFETEA-LU Reauthorization – Opportunities and Challenges

- APTA Recommendations – Seeking to double the federal transit investment.
- More than \$360 million for AZ by 2016;
- New funding sources needed
- The Future of the Gas Tax
- Other Potential Funding Sources

# APTA Authorization Recommendations

- Bold Vision for the Future - More than double the federal investment in Public Transportation
- Enables transit to accommodate future growth in ridership demand and play an enhanced role in nationwide mobility, economic development and environmental sustainability.
- Improves upon existing program – does not anticipate major structural changes.
- Streamline the federal program and improve project delivery.



# Financing Principles

- Recommends more \$123 billion federal investment in public transportation over a six year authorization period- more than double the investment authorized in SAFETEA-LU.
- All programs grow at the same rate – 20% per year.
- Increase the federal motor fuels tax to restore purchasing power to 1993 levels, and index to accommodate future growth.
- Seek alternative funding sources to supplement existing revenues.

# Major Program Structure Changes

- Split Bus and Bus Facilities Account into 50% discretionary and 50% formula program;
- Create new Clean Fuels Aging Bus Replacement Program;
- Combine JARC, New Freedoms and Elderly and Disabled Programs into single “Coordinated Mobility Initiative;”
- Create simplified, two-tiered Fixed Guideway Modernization Program;
- Simplified New Starts Rating Process

# Other Features

- Encourages implementation of alternative-fueled vehicles and facilities.
- Recommends increased role for public transportation in regional planning and increased emphasis on smart-growth land use policies.
- Increased emphasis on workforce development.
- Amends tax code to incentivize transit use.
- Creates incentives to encourage local investment.
- Continues robust investment in Research & Development